

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### MedSource Technologies, Inc.

#### New York Manufacturing Extension Partnership

#### Lean Strategy Keeps Medsource Technologies Competitive

##### Client Profile:

MedSource Technologies' Orchard Park, New York facility is a contract manufacturer of precision parts, particularly titanium and other light metals, for original equipment manufacturers serving the medical industry. Historically, the company's sales growth has reached 40 percent annually. Its operations are conducted in a modern, single-story facility of approximately 40,000 square feet. The current employment level is approximately 140 people, including non-union production personnel. MedSource Technologies has put considerable emphasis on the implementation of modern manufacturing practices with particular emphasis on product quality; the company was one of the first in western New York to become ISO 9000 certified.

##### Situation:

Because of the competitive nature of its business (particularly from foreign manufacturers), MedSource Technologies recognizes the importance of continuous improvement of its competitive position. The company considers reduced lead times, increased throughput, better quality, and higher inventory turns key factors to achieving its goals. Company management decided to pursue a lean manufacturing strategy, and selected the Western New York Technology Development Center (TDC), a NIST MEP network affiliate and division of the New York Manufacturing Extension Partnership, to facilitate its lean transformation.

##### Solution:

TDC and MedSource Technologies embarked upon a major initiative to integrate the principles of lean manufacturing into an operation that employed many of the traditions of batch manufacturing. First, TDC introduced all MedSource employees to the principles of lean manufacturing during a full-day interactive workshop. Next, TDC led MedSource through the development of current and future state value stream maps of the company's major product families. Value stream maps identify the primary opportunities for operational improvement. After targeting these specific improvements, TDC and MedSource cross-functional teams began introducing major changes throughout the production areas. Teams focused on issues including: workplace organization at work benches; balanced workflow between inspection, heat treating and cleaning operations; set-up reduction in the automatic polishing operation; and work cell development for a high-volume machine component.

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MedSource Technologies experienced many positive results from its initial lean implementation projects, and has embraced the philosophy of continuous improvement. Going forward, MedSource expects to make more operational changes that will allow the company to remain a global leader in the medical supply industry.

### **Results:**

- Doubled inventory turns.
- Reduced operating expenses by 10 percent.
- Reduced overall lead time by 30 to 40 percent.
- Reduced scrap by 25 percent.
- Solidified direction for implementing future lean initiatives.

### **Testimonial:**

“The Western New York Technology Development Center was instrumental in training the Orchard Park workforce and facilitating the implementation of several lean projects. The expertise, outside resources, and ideas that TDC engineers bring to [our] teams are invaluable. The teams have embraced the energetic and hands-on style/approach TDC provides--they, in a sense, have become part of the organization.”

Craig Stryker, General Manager